COMMISSION ON REGIONS
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COMMISSION ON REGIONS: SUBCOMMITTEE ON ECONOMIC AND DEVELOPMENT ISSUES, INCLUDING GEOGRAPHICAL ASPECTS

PERSPECTIVES ON THE "SENSITIVE AREAS" IDENTIFIED AS THE PWV REGION, PRETORIA, EASTERN TRANSVAAL AND NORTHERN TRANSVAAL

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1. INTRODUCTION

In terms of my brief as member of the above subcommittee (first meeting: Saturday, 11 September 1993, at WTC) I hereby report as follows:

1.1 The information gathered on the sensitive areas is presented in tables 1 to 12.

1.2 Four alternative scenarios or options will very briefly be considered, namely

(a) Maintaining the status quo (CDDR map unchanged);
(b) Greater Pretoria as a separate SPR (Pretoria/Moretele option);
(c) Combining Greater Pretoria with Eastern Transvaal;
(d) Combining Greater Pretoria, Eastern Transvaal and Northern Transvaal.

2. SCENARIO A : STATUS QUO MAINTAINED

2.1 Advantages

(a) Since there is virtually a total overlap between the CDDR map and the Development Regions in the relevant part of the Transvaal, data on the proposed SPR's are available in a variety of documentation ranging from the DBSA to CSS reports.

(b) Should future urban sprawl cause the metropolitan areas of Wits/Vaal and Greater Pretoria to grow closer as a result of increased urbanisation a common urban development plan may be required. It is an advantage to have such an overall plan and concomitant metropolitan authority under the authority of a single SPR government.

(c) Most of the districts in the Northern Transvaal fall within the service area of its natural capital, Pietersburg, which can render a variety of services in the area.

2.2 Disadvantages

2.2.1 There is a highly uneven accommodation of population in the proposed SPRs. The largest (PWV region) has 13 times more people than the smallest (Northern Cape); yet they will have the same number of representatives in the Upper House (proposed Senate). This militates against the advantages of proper regionalisation as a means of bringing government closer to the people.

2.2.2 Flowing from this, the PWV region will dominate the rest of the SPRs in virtually all respects by having

(i) more than 25% of the population;
(ii) more than 41% of the GNP;
(iii) collecting virtually 60% (59,8%) of the revenue (individuals, GST and companies in 1991).

(a) With so much power concentrated on 2,1% of the land area the core could reflect the characteristics found in a highly unitary state. Regional autonomy becomes meaningless if de jure autonomy is not supported by de facto financial autonomy. In terms of the present demarcation only 3 SPRs will be able to finance their own regional administrations out of revenue collected within their boundaries (Table 12).

(b) The PWV (a functional concept) is projected as the "engine" that drives the economy, an undisputed fact. The "spread" effects of this industrial area are well known, but the "backwash" effects are the other side of the coin. BY deliberately containing the PWV (the "mother") in one SPR she could be perceived to be the "monster" if she could dictate the conditions of future fiscal transfers when she coincides with the area where 60% the taxes are collected.

2.2.3 The Eastern Transvaal and Northern Transvaal respectively would not be able to afford their own regional administrations in terms of their own revenues and would be dependant on funds from outside their borders in order to maintain any future autonomy.

2.2.4 The Eastern Transvaal will have to provide for an administrative capital which it currently lacks. Current central government offices are spread among 7 towns in the region, namely Middelburg, Witbank, Nelspruit, Ermelo, Lydenburg, Standerton and Secunda. Funds will have to be provided for a capital city infrastructure, otherwise Louieville (Kangwane) will have to be used. The Eastern Transvaal will also have to rely on higher order services from outside the region: these include universities, technicons, academic hospitals and specialist medical care, a fully functional supreme court, and (possibly) expertise to write their own regional constitution.

2.2.5 Both Eastern and Northern Transvaal will have to rely on facilities outside their boundaries such as the Pretoria Fresh Produce Market which is the main outlet for producers in the above mentioned SPRs. In this particular instance a turnover figure of R280 million is involved while markets and ponds are being earmarked as exclusive SPR responsibilities.

2.2.6 Many submissions, appeals and proposals have been made for Pretoria not to be part of the Witwatersrand area. Many such initiatives were argued in terms of factual content according to the criteria provided by the Commission. The inclusion of Pretoria is likely to remain a source of continued friction as it could increasingly become a political issue in future.

3. SCENARIO B : PRETORIA AS A SEPARATE SPR

3.1 Advantages

According to recent press reports the idea of Pretoria as a separate (neutral) capital city territory is being entertained in some quarters. The rationale for the so-called "DP"-option (District of Pretoria) is to follow that of some other federal capitals such as Washington DC in the USA.

3.1.1 Such a move would satisfy the strong appeals and demands for Pretoria not to be caught up in the so-called "backyard of Johannesburg" since the fear is very real in many quarters that Pretoria would be completely dominated by the Witwatersrand. Since the Witwatersrand will have nearly 75% of the population of the proposed PWV region, they are likely not only to dominate the region's legislative assembly and executive government, but they are also likely to supply the great majority of delegates in the national assembly and senate. As a matter of comparison, the Northern Cape with a population of 726 000 is likely to have far more representatives in the legislative structures of government than an area such as Greater Pretoria with 2 million people.

3.1.2 Allowing Pretoria an option outside the Witwatersrand will thus promote the advantages of greater democracy along regional lines in view of the fact that the area contributes nearly 7% of the national population, more than 9% of the GNP, and 12% of the national tax revenue.

3.1.3 Pretoria should be able to afford its own administration with ease (tables 4 and 5) since a tax surplus of R4 770,556 million would be available for national use after deduction of regional government costs from tax revenue in the area. In terms of infrastructure, functionality and GGP, the Greater Pretoria area would be highly viable as an SPR or self-sufficient (federal) territory.

3.1.3 Should an SPR boundary thus be placed between Pretoria and Johannesburg it would be a soft administrative boundary that should not interfere with present functional and commuter patterns. By way of comparison, the current boundary between Bophuthatswana's Odi I district (a "harder" boundary) does not impede large scale daily labour flows towards Pretoria or any other significant functional patterns in the greater metropolitan area.

- The Witwatersrand would not be crippled since it would still have nearly three quarters of the region's population, 77% of the GGP and more than 80% of the tax revenue. The national domination by one SPR would however be less severe.

3.2 Disadvantages

3.2.1 Although viable, the creation of an additional Pretoria SPR would add to the number of SPRs. The proposed number of 9 are already regarded as too many in some quarters.

3.2.2 Despite the creation of an additional SPR the problems and fiscal non-viability of the Eastern and Northern Transvaal will remain unresolved.

4. SCENARIO C : INCLUDING PRETORIA IN A GREATER EASTERN TRANSVAAL REGION

4.1 Advantages

4.1.1 The Eastern Transvaal stands to gain much more from such an option than greater Pretoria itself. With reference to tables 6 and 7, as well as table 10 it should be clear that Eastern Transvaal could become viable in terms of its own tax base and regional government costs. More important however, is a significant improvement in the SPR's development indicators. Problems associated with a capital city, an administrative infrastructure and the provision of higher-order services would be solved immediately.

4.1.2 An additional SPR now becomes viable without increasing the number of SPRs. A new Greater Eastern Transvaal would have characteristics approaching that of the ideal SPR model (in terms of 9 SPRs) if the average SPR population is 4,4 million , the average GGP R13,4 billion and the tax revenue is approximately R5,8 billion.

4.1.3 The inclusion of Pretoria would not cause the Eastern Transvaal to be dominated by Pretoria as the two population components will be fairly evenly matched (table 8). Such equilibrium is also expected to be reflected in the region's legislative assembly and government structures.

4.2 Disadvantage

4.2.1 The Northern Transvaal will continue to be non-viable in terms of its own tax base, cost of regional government and development potential.

5. SCENARIO D : COMBINING GREATER PRETORIA, EASTERN TRANSVAAL AND NORTHERN TRANSVAAL

5.1 Advantages

5.1.1 The greatest beneficiary is Northern Transvaal which has an extremely poor economic outlook (tables 8 and 9). The advantages for the new Greater Northern Transvaal region are outlined in table 11.

5.2 Disadvantages

5.2.1 While the Northern Transvaal becomes more viable as part of a larger region (see table 11) economic indicators for the region as a whole are less favourable than in the case of the combined Pretoria and Eastern Transvaal option. Both greater Pretoria and Eastern Transvaal would now be part of a region in which the per capita indicators are substantially lower. It is doubtful if it would be reasonable to expect the Pretoria and Eastern Transvaal region to carry the burden of a large underdeveloped region by themselves.

5.2.2 The new larger region will have a very large and culturally heterogeneous population. The region will be fairly wieldy with a great cultural, linguistic and environmental diversity which is not in the interest of proper regionalisation.

6. CONCLUSION

Although the above considerations are preliminary observations, they represent the type of perspectives required in the debate on the sensitive areas outlined above. More arguments and investigations will be required. Hopefully the oral hearings and additional written submissions could assist in this respect.

TABLE I

THE PROPOSED PWV REGION : STATISTICAL PROFILE OF SUBREGIONS

DISTRICT	1991 POPULATION	URBAN	%	RURAL	%	1990 GGP R/m
			PRETORIA SUBREGION			
PRETORIA	767 397	738 234		29 163		9 568,965
WONDERBOOM	352 470	312 741		39 729		226,486
SOSHANGUVE	146 231	146 231		-		83,849
CULLINAN	33 386	8 452		24 934		123,911
BRONKHORSTSPRUIT	62 128	24 515		37 613		76,049
BRITS	112 419	38 881		73 538		269,313
KWANDEBELE	433 254	43 480		389 774		39,816
ODI I	461 754	118 150		343 604		481,002
MORETELE I & II	331 978	35 251		296 727		230,440
TOTAL SUBREGION	2 701 017	1 465 935	54,3	1 235 082	45,7	11 099,831
			WITWATERSRAND			
JOHANNESBURG	2 117 739	2 114 357		3 382		16 764,389
RANDBURG	438 683	427 696		10 987		690,905
ROODEPOORT	281 466	277 240		4 226		755,451
GERMISTON	207 085	207 085		-		3 351,663
ALBERTON	458 966	458 966		-		845,242
BOKSBURG	247 658	247 658		-		1 208,216
KEMPTON PARK	434 456	430 652		3 804		2 202,314
BENONI	385 855	383 740		2 115		1 231,453
BRAKPAN	155 524	155 524		-		382,509
SPRINGS	243 584	237 093		6 491		1 322,618
NIGEL	119 606	101 429		18 177		513,938
KRUGERSDORP	259 492	223 145		36 347		798,835
RANDFONTEIN	146 230	117 913		28 317		482,457
WESTONARIA	129 328	119 606		9 722		591,225
OBERHOLZER	175 808	170 738		5 070		1 591,168
TOTAL SUBREGION	6 336 584	6 133 560	96,8	203 024	3,2	34 141,900
			VAAL REGION			
VEREENIGING	250 189	220 186		30 003		1 571,566
VANDERBIJLPARK	500 385	480 522		19 863		1 348,199
HEIDELBERG	71 003	40 152		30 851		146,552
SASOLBURG	120 024	71 422		48 602		966,299
TOTAL SUBREGION	941 547	812 228	86,3	129 319	13,7	4 032,616
TOTAL PWV	9 979 148	8 411 723	84,3	1 567 425	15,7	49 274,347

TABLE 2

PWV REGION : STATISTICAL INDICATORS

SECTOR	% 1988*	R/m 1990	REMARK
AGRICULTURE	1,0	494,156	
MINING	10,6	5 238,060	
MANUFACTURING	29,0	14 330,542	
ENERGY	2,9	1 433,054	
CONSTRUCTION	3,2	1 581,301	
TRADE	13,1	6 473,452	
TRANSPORT	8,3	4 101,500	
FINANCE	15,0	7 412,348	
SERVICES	16,9	8 351,247	
TOTAL	100,0	49 415,665	77,3 of GGP remains in region
NETT	77,3	38 198,309	Income/GGP (DBSA, 1991)

* 1990 percentage not available; 1990 figures based on 1988 percentages

NGP PWV Region: R38 198,309 million (31,8% of GNP in 1990)

COST OF REGIONAL GOVERNMENT (1991 PRICES)

At 1991 population	-	R 6 116,352 million (Acc. to the Du Pisanie model)
Tax revenue 1991	-	R31 382,871 million (59,9% of national revenue)
Surplus	-	R25 266,519 million

DEVELOPMENT INDICATORS: PWV REGION

Population	9 979 148	(25,3% of RSA total)
Urbanisation	84,3%	(nat. average 49,8%)
Growth	3,6%	(nat. average 2,5%)
Illiteracy	12,5%	
People under 15 years	29%	(1991)

PWV REGION (continued)

GGP 1988 R47 212,000 million (39,1% of GNP)
NGP 1988 R36 494,876 million (30,2% of GNP)
GGP 1990 R49 274,347 million (41,1% of GNP)
NGP 1990 R38 198,309 million (31,8% of GNP)

GGP PER CAPITA 1988 R5 652 (RSA R3 280) DIG FIGURES (DBSA)
NGP PER CAPITA 1988 R4 369 (RSA R3 280)
GGP PER CAPITA 1990 R4 938 (RSA R3 043)
NGP PER CAPITA 1990 R3 817 (RSA R3 817)

POPULATION COMPOSITION) (Source CSS Report 03-01-02, 1991)

WHITES	2 145 438	27,3%	
COLOUREDS	265 077	3,4%	
ASIANS	148 904	1,9%	
BLACKS	5 298 019	67,4%	
TOTAL	7 856 553	100,0%	(Census figures differ from DBSA figures due to undercount)

LANGUAGE COMPOSITION (1991 Estimation based on 1980 distribution)

AFRIKAANS	1 488 546	18,9%
TSWANA	1 192 289	15,2%
ZULU	1 140 117	14,5%
ENGLISH	1 002 889	12,8%
S. SOTHO	744 474	9,5%
XHOSA	655 087	8,3%
N. SOTHO	632 185	8,0%
TSONGA	233 926	3,0%

TABLE 3

WITS/VAAL SUBREGION: STATISTICAL INDICATORS

COMPOSITION OF REGIONAL ECONOMY 1990 (Source: Development Information Group, DBSA; and Dept. of Economics, Unisa)

SECTOR	% 1988*	R/m 1990	REMARK
AGRICULTURE	0,8	305,396	
MINING	13,3	5 077,211	
MANUFACTURING	30,6	11 681,401	
ENERGY	3,3	1 259,759	
CONSTRUCTION	3,3	1 259,759	
TRADE	14,4	5 497,130	
TRANSPORT	7,9	3 015,787	
FINANCE	14,7	5 611,654	
SERVICES	11,6	4 428,244	
TOTAL	100,0	38 174,516	77,3% of GGP remains in area
NETT	77,3	29 508,900	Income/GGP (DBSA 1991)

* 1990 percentages not available; 1990 figures based on 1988 percentages

NGP Wits/Vaal region: R29 508,900 million (24,6% of GNP in 1990)

COST OF REGIONAL GOVERNMENT IN WITS/VAAL AREA (1991 PRICES)

According to 1991 population	-	R 4 854,513 million (Acc to Du Pisanie's model)
Tax revenue 1991	-	R25 143,706 million (48% of national revenue)
SURPLUS	+	R20 289,193 million

DEVELOPMENT INDICATORS: WITS/VAAL REGION

Population	7 278 131	(18,4% of RSA total)
Urbanisation	95,4%	(nat. average 49,8%)
Growth	3,6%	(nat. average 2,5%)
Illiteracy	12,5%	(figure for PWV region)
People under 15 years	27%	(1991)

WITS/VAAL SUBREGION (continued)

GGP 1988 R36 718,000 million (30% of GNP)
NGP 1988 R28 383,014 million (23,5% of GNP)
GGP 1990 R38 174,516 million (31,8% of GNP)
NGP 1990 R29 508,900 million (24,6% of GNP)

GGP PER CAPITA 1988 R6 053 (RSA R3 280) DIG FIGURES (DBSA)
NGP PER CAPITA 1988 R4 679 (RSA R3 280) DIS FIGURES (DBSA)
GGP PER CAPITA 1990 R5 245 (RSA R3 043)
NGP PER CAPITA 1990 R4 054 (RSA R3 043)

POPULATION COMPOSITION (Source: CSS Report 03-01-02, 1991)

WHITES	1 561 742	28,9%
COLOUREDS	236 174	4,4%
ASIANS	127 002	2,4%
BLACKS	3 471 696	64,4%
TOTAL	5 396 613	100% (Census figures differ due to undercount)

LANGUAGE COMPOSITION

ZULU	995 675	18,5%
AFRIKAANS	955 201	17,7%
ENGLISH	881 267	16,3%
SOUTH SOTHO	663 244	12,3%
TSWANA	491 092	9,1%
XHOSA	420 936	7,8%
NORTH SOTHO	329 193	6,1%
TSONGA	156 502	2,9%

TABLE 4

GREATER PRETORIA SUBREGION : STATISTICAL PROFILE

DISTRICT	1991 POPULATION	URBAN	%	RURAL	%	GGP 1990 R/mil
PRETORIA	767 397	738 234		29 163		9 568,965
WONDERBOOM	352 470	312 741		39 729		226,486
CULLINAN	33 386	8 452		24 934		123,911
BRONKHORSTSPRUIT	62 128	24 515		37 613		76,049
BRITS	112 419	38 881		73 538		269,313
SOSHANGUVE	146 231	146 231		-		83,849
KWANDEBELE	433 254	43 480		389 774		39,816
TOTAL EXCL BOP.	1 907 285	1 312 534	68,8	594 751	31,2	10 388,389
ODI	461 754	118 150		343 604		481,002
MORETELE I & II	331 978	35 251		296 727		230,440
SUBTOTAL: BOP	793 732	153 401	19,3	640 331	80,7	711,442
TOTAL INCL. BOP	2 701 017	1 465 935	54,3	1 235 082	45,7	11 099,831

TAX COLLECTED AT PRETORIA REVENUE OFFICE, 1991

PRETORIA	R/mil
INDIVIDUALS	4 567,584
COMPANIES	380,289
GST	1 291,292
TOTAL	R6 239,165

(11,9% of RSA total)
Source: Dept. of Inland Revenue

TABLE 5

GREATER PRETORIA : STATISTICAL INDICATORS

COMPOSITION OF REGIONAL ECONOMY (Source: DIG, DBSA; and Dept. Economics, Unisa)

SECTOR	% 1988*	R/mil 1990	REMARKS
AGRICULTURE	1,8	21,969	
MINING	1,0	110,998	
MANUFACTURING	23,4	2 597,360	
ENERGY	1,5	166,497	
CONSTRUCTION	2,8	310,795	
TRADE	8,5	943,486	
TRANSPORT	9,6	1 065,584	
FINANCE	15,9	1 764,873	
SERVICES	35,5	3 940,440	
TOTAL	100,0	R11 099,831	
NETT	77,3	R 8 580,169	Approx. 77,3% of GGP remains in area (Figure for Region H (DBSA, 1991)

* 1990 percentages not available; 1990 GGP figures based on 1988 percentages

NGP Pretoria region: R8 580,169 million (7,18% of GNP in 1990)

<u>COST OF REGIONAL GOVERNMENT IN PRETORIA</u> (1991 PRICES)

Acc. to 1991 population - R1 468,609 million (Calculated by Prof J.A. du Pisanie, Unisa)

Tax revenue 1991 - <u>R6 239,165</u> million (11,9% of national revenue)
SURPLUS + R4 770,556 million

<u>KWANDEBELE's (PART OF GREATER PRETORIA) BUDGET (1991/92)</u>

Own revenue	Aid from SA govt	Total	Percentage of SPR's Revenue
R65 000 000	R343 887 000	R408 887 000	6,6%

<u>MAINTENANCE OF ROADS (OWN SPR FUNCTION)</u>

Total distance of regional roads: Greater Pretoria (N routes excluded) 4 260 km

Cost of maintenance (at R11 217 per km): R47,784 million per year (0,76% of revenue)

DEVELOPMENT INDICATORS: GREATER PRETORIA

Population (Without Odi and Moretele) : 1 907 283 - 4,8% of RSA total
(With Odi and Moretele) : 2 701 017 - 6,8% of RSA total

URBANISATION	68,8% (nat. average 49,8%)
GROWTH (1985 - 1991)	3,6% (nat. average 2,5%)
ILLITERACY	12,5% (figure for PWV)
PEOPLE UNDER 15 AS % OF POPULATION	34,0% (1991)

GGP 1988 R10 493,000 million (8,73% of GNP) (With Bop districts)
NGP 1988 R 8 111,089 million (6,72% of GNP) (With Bop districts)
GGP 1990 R10 388,389 million (8,64% of GNP) (Without Bop)
NGP 1990 R 8 580,169 million (7,18% of GNP) (Without Bop)

GGP PER CAPITA 1988 (GROSS) R4 665 (RSA : R3 280)) DIG FIGURES (DBSA)
NGP PER CAPITA INCOME (NETT) R2 606 (RSA : R3 280)) With Bop districts
GGP PER CAPITA 1990 (GROSS) R5 446 (RSA : R3 043); With Bop districts = R4 109
NGP PER CAPITA INCOME (NETT) R4 498 (RSA : R3 043); With Bop districts = R3 177

POPULATION COMPOSITION (Source: CSS Report 03-01-02, 1991)

Kwandebele included; Bop districts excluded

WHITES	583 696	35,0%
COLOUREDS	28 903	1,7%
ASIANS	21 902	1,3%
BLACKS	1 032 591	61,9%
TOTAL	1 667 092	(Census figures differ due to undercount)

LANGUAGE COMPOSITION (With Kwandebele; excluding Bop districts)

Afrikaans	493 345	29,7%
North Sotho	302 992	18,2%
Ndebele	266 389	16,0%
Zulu	144 442	8,7%
English	121 622	7,3%
Tswana	100 465	6,0%
Tsonga	77 424	4,7%
Siswati	30 322	1,8%

TABLE 6

EASTERN TRANSVAAL : STATISTICAL PROFILE

DISTRICT	1991 POPULATION	URBAN	%	RURAL	%	GGP 1990 R/mil
DELMAS	54 944	29 162		25 782		141,318
WITBANK	180 650	135 386		45 264		2 111,119
MIDDELBURG	163 675	84 060		79 615		1 528,248
BELFAST	33 140	14 548		18 592		81,840
NELSPRUIT	77 592	21 419		56 173		538,019
WITRIVIER	43 642	8 487		35 155		134,054
P/GRIMSREST	27 482	9 297		18 185		79,109
LYDENBURG	40 007	14 546		25 461		170,249
BARBERTON	80 024	23 035		54 789		357,502
WATERVAL BOVEN	11 344	7 742		3 602		21,805
CAROLINA	37 181	7 676		29 505		77,091
ERMELO	145 487	83 653		61 834		581,980
PIET RETIEF	76 376	22 629		53 747		152,869
WAKKERSTROOM	35 965	3 232		32 733		18,166
AMERSFOORT	37 579	4 442		33 137		24,068
VOLKSRUST	35 161	19 398		15 763		86,961
STANDERTON	115 586	50 114		65 472		202,722
BETHAL	97 399	35 969		61 430		1 594,661
HOëVELDRIF	162 466	117 603		44 863		2 799,783
BALFOUR	49 708	14 145		35 563		248,595
GROBLERSDAL	61 024	4 850		56 174		54,421
TOTAL	1 566 432	708 393		858 039		11 065,862
KANGWANE	605 749	72 257		533 492		224,303
TOTAL	2 172 181	780 650	35,9	1 391 531	64,1	R11 290,165

TAX COLLECTED AT REVENUE OFFICES IN EASTERN TRANSVAAL 1991

WITBANK R/mil

INDIVIDUALS	294,468
COMPANIES	12,039
GST	159,648
TOTAL	R466,155

STANDERTON R/mil

INDIVIDUALS	331,641
COMPANIES	21,444
GST	145,936
TOTAL	R499,021

NELSPRUIT R/mil

INDIVIDUALS	150,394
COMPANIES	63,126
GST	137,462
TOTAL	R350,982

TOTAL REVENUE 1991
R1 316,158 MILLION
(2,51% OF RSA TOTAL)

TABLE 7 **EASTERN TRANSVAAL : STATISTICAL INDICATORS**

COMPOSITION OF REGIONAL ECONOMY 1990 : (Source DIG, DBSA; and Dept. Economics, Unisa)

SECTOR	% 1988*	R/mil 1990	REMARK
AGRICULTURE	10,7	1 208,048	
MINING	23,1	2 608,028	
MANUFACTURING	22,1	2 495,126	
ENERGY	23,8	2 687,059	
CONSTRUCTION	1,6	180,643	
TRADE	4,6	519,348	
TRANSPORT	3,3	372,575	
FINANCE	3,3	372,575	
SERVICES	7,4	835,472	
TOTAAL	100,0	11 290,165	Gross figure 1990
NETTO	41%	4 628,967	41% of GGP remains in region (DBSA, 1991)

* 1990 GGP percentages not available; 1990 figures based on 1988 percentages.

NGP Eastern Transvaal: R4 628,96 -million (3,85% of RSA's GDP in 1990)

<u>COST OF REGIONAL GOVERNMENT (1991 PRICES)</u>
Acc. to 1991 population - R1 674,751 million (Calculated by Prof. J.A. du Pisanie, Unisa)

Tax revenue 1991 - R1 316,158 million (2,5% of national revenue)
Deficit - R 358,593 million

<u>KANGWANE (PART OF E. TRANSVAAL's BUDGET) 1991/92</u>

Own Revenue	Aid from SA Govt	Total	Percentage of SPR's Revenue
R101 766 500	R427 921 000	R529 687 500	40,24%

(Source: Race Relations Survey 1992/93)

MAINTENANCE OF ROADS (OWN SPR FUNCTION)

Total distance of regional roads in Eastern Transvaal (N routes excluded) 14 943 km. Cost of maintenance (at R11 217/km): R167,615 m in 1992; 12,7% of region's revenue. (Source: TPA Roads Division)

DEVELOPMENT INDICATORS: EASTERN TRANSVAAL

POPULATION : 2 172 181 - 5,5% OF RSA TOTAL (DBSA FIGURES)
URBANISATION 35,9% (NAT. AVERAGE: 49,80%)
GROWTH (85-91) 2,6% (NAT. AVERAGE: 2,5%)
ILLITERACY 31,5% (NAT. AVERAGE: 20,7%)
PEOPLE UNDER 15 YEARS AS % OF POPULATION: 41% (1991)
GGP 1988 R 9 835,000 MILLION (8,14% OF GNP IN RSA)
NGP 1988 R 4 032,350 MILLION (3,34% OF GNP) (N-TVL = R3 786 MIL)
GGP 1990 R11 290,165 MILLION (9,39% OF GNP)
NGP 1990 R 4 628,967 MILLION (3,85% OF GNP) (N-TVL = R4 189 MIL)

GGP PER CAPITA	1988 (GROSS) : R4 974 (RSA: R3 280)	)
NGP PER CAPITA INCOME	1988 (NETT) : R2 039 (RSA: R3 280)	)DIG FIGURES DBSA
GGP PER CAPITA	1990 (GROSS) : R5 197 (RSA: R3 043)	
NGP PER CAPITA INCOME	1990 (NETT) : R2 131 (RSA: R3 043)	

POPULATION COMPOSITION (Source: CSS Report 03-01-02 (1991)

WHITES	280 545	13,5%
COLOUREDS	15 091	0,7%
ASIANS	10 584	0,5%
BLACKS	1 772 758	85,3%
TOTAAL	2 078 978	(Census figures differ from DBSA figures due to undercount)

LANGUAGE COMPOSITION 1991

SISWATI	802 618	37,2%
ZULU	590 609	27,4%
AFRIKAANS	258 956	12,0%
N. SOTHO	104 589	4,8%
TSONGA	81 628	3,8%
NDEBELE	75 810	3,5%
S. SOTHO	65 177	3,0%
ENGLISH	57 892	2,7%
XHOSA	38 692	1,8%

TABLE 8 NORTHERN TRANSVAAL : STATISTICAL PROFILE

DISTRICT	POPULATION 1991	URBAN	%	RURAL	%	1990 GGP R/mil
WARMBAD	51 246	18 529		32 717		138,359
ELLISRAS & WATERBERG	92 095	48 736		43 359		184,586
POTGIETERSRUS	77 241	20 871		56 370		325,788
PIETERSBURG	99 334	37 841		61 493		626,003
SOUTPANSBERG	55 579	15 766		39 813		193,528
MESSINA	23 259	12 218		11 019		60,631
LETABA	45 730	7 885		37 845		1 129,624
PILGRIMSREST I	9 160	2 477		6 683		39,555
PHALABORWA	24 048	11 824		12 224		362,891
MOUTSE I	155 521	6 760		148 761		10,391
THABAZIMBI	47 703	9 858		37 845		145,756
TOTAL	732 778	187 757	27,0	545 021	73,0	3 333,815
LEBOWA	2 743 187	169 896	6,2	2 573 291	93,8	591,325
GAZANKULU	722 077	33 675	4,7	688 402	95,3	138,242
VENDA	561 370	22 044	3,9	539 326	96,1	272,396
SUBTOT. NAT. STATES	4 026 634	225 615	5,6	3 801 019	94,4	1 001,963
GRAND TOTAL: N.TVL	4 759 412	413 372	8,7	4 346 040	91,3	4 335,778

TAX COLLECTED AT PIETERSBURG REVENUE OFFICE: R/mil, 1991

INDIVIDUALS	226,602
COMPANIES	38,586
GST	299,143
TOTAL	564,331
+ OTHER	63,329
	R627,660 mil

N. TRANSVAAL DISTRICTS NOT SERVED BY PIETERSBURG OFFICE:

	TAX
THABAZIMBI	± 20,675
WARMBAD	± 18,835
NEBO (Est)	5,688
MHALA (Est)	2,729
SEKHUKHULAND (Est)	11,447
PILGRIMSREST I (Est)	3,955
	63,329 mil

TABLE 9

NORTHERN TRANSVAAL: STATISTICAL INDICATORS

COMPOSITION OF REGIONAL ECONOMY 1990 (Source: DIG, DBSA, and Dept. Economics, Unisa)

SECTOR	% 1988*	R/mil 1990	REMARKS
AGRICULTURE	15,0	650,367	
MINING	14,8	641,695	
MANUFACTURING	8,8	381,480	
ENERGY	6,5	281,825	
CONSTRUCTION	4,7	203,782	
TRADE	9,1	394,556	
TRANSPORT	4,4	190,774	
FINANCE	6,5	281,826	
SERVICES	30,1	1 305,069	
TOTAL	100,0	4 335,778	
NETT	87,6	3 798,142	87,6% of GGP remains in region (DBSA, 1991)

* 1990 percentages not available; GDP figures (1990) based on 1988 percentages

NGP for Northern Transvaal : R3 798,142 million (3,16% of RSA's GNP in 1990)

COST OF REGIONAL GOVERNMENT IN NORTHERN TRANSVAAL (1991 PRICES)

According to 1991 population - R3 260,197 million (Costs calculated by Prof J.A. du Pisanie, Unisa)

Tax revenue 1991 - R 627,660 million (0,51% of national revenue)
DEFICIT R2 632,537 million

BUDGETS OF NATIONAL STATES IN REGION (1991/92) (R/million)

AREA	OWN REVENUE	AID FROM SA GOVERNMENT	TOTAL	PERCENTAGE OF SPR's REVENUE
Lebowa	400,00	1 545,699	1 945,699)	
Gazankulu	190,274	871,726	1 008,000)	613,36%
Venda	299,885	528,770	828,655)	
TOTAL	890,159	2 892,195	3 782,354	

(Source: Race Relations Survey, 1992/93)

DEVELOPMENT INDICATORS : NORTHERN TRANSVAAL (1991)

POPULATION: 4 759 412 — 12,0% OF RSA TOTAL (DBSA FIGURES)
URBANISATION — 8,7% (NAT. AVERAGE 49,8%)
POPULATION GROWTH(85 - 91) — 3,1% (NAT. AVERAGE 2,5%)
ILLETERACY — 35,1% (NAT. AVERAGE 20,7%)
PEOPLE UNDER 15 YEARS AS % OF POPULATION: 51%

GGP 1988 R3 786,000 mil (3,13% OF GNP IN RSA)
NGP 1988 R3 316,536 mil (2,75% OF GNP IN RSA)
GGP 1990 R4 335,778 mil (3,60% OF GNP IN RSA)
NGP 1990 R3 798,142 mil (3,16% OF GNP IN RSA)

GGP PER CAPITA 1988: R892 (RSA: R3 280)
NGP PER CAPITA 1988: R781 (RSA: R3 280)
GGP PER CAPITA 1990: R911 (RSA: R3 043)
NGP PER CAPITA 1990: R798 (RSA: R3 043)

POPULATION COMPOSITION (According to CSS Report 03-01-02, 1991)

WHITES	137 720	3,3%
COLOUREDS	6 310	0,2%
ASIANS	4 149	0,1%
BLACKS	3 993 837	96,4%
TOTAL	4 142 017	(Sensus figures differ due to undercount)

LANGUAGE COMPOSITION 1991

1.	Northern Sotho	2 324 085	56,1%
2.	Tsonga	786 983	19,0%
3.	Venda	579 882	14,0%
4.	Ndebele	140 828	3,4%
5.	Afrikaans	120 118	2,9%
6.	Tswana	92 781	2,2%
7.	Zulu	59 645	1,4%
8.	English	22 366	0,5%

TABLE 10

EASTERN TRANSVAAL AND GREATER PRETORIA COMBINED: STATISTICAL PROFILE

ASPECT	EASTERN TRANSVAAL	PRETORIA SUBREGION	GREATER E.TRANSVAAL
POPULATION 1991	2 172 181 (With Kangwane)	1 907 283 (With KwaNdebele)	4 079 464
COMPOSITION	53,2%	46,8%	100,0%
URBANISATION	35,9%	68,8%	51,3%
NATIONAL RATE	49,8%	49,8%	49,8%
GROWTH '85 - '91	2,6%	3,6%	3,1%
ILLITERACY	31,5%	12,5%	22,0%
PEOPLE UNDER 15 YEARS	41,0%	34,0%	37,5%

COMPOSITION			
WHITES	280 545 (13,5%)	583 696 (35,0%)	864 241 (23,1%)
COLOUREDS	15 091 (0,7%)	28 903 (1,7%)	43 994 (1,2%)
ASIANS	10 584 (0,5%)	21 902 (1,3%)	32 486 (0,9%)
BLACKS	1 772 758 (85,3%)	1 032 591 (61,9%)	2 805 349 (74,9%)

LANGUAGE COMPOSITION

POSITION	EASTERN-TRANSVAAL		%	PRETORIA SUBREGION		%	GREATER E. TRANSVAAL		%
1	SISWATI	802 618	37,2	AFRIKAANS	493 345	29,7	SISWATI	832 940	22,3
2	ZULU	590 609	27,4	N. SOTHO	302 992	18,2	AFRIKAANS	752 301	20,2
3	AFRIKAANS	258 956	12,0	NDEBELE	266 389	16,0	ZULU	735 051	19,7
4	N. SOTHO	104 589	4,8	ZULU	144 442	8,7	N. SOTHO	407 581	10,9
5	TSONGA	81 628	3,8	ENGLISH	121 622	7,3	NDEBELE	342 199	9,2
6	NDEBELE	75 810	3,5	TSWANA	100 465	6,0	ENGLISH	160 314	4,3
7	S. SOTHO	65 177	3,0	TSONGA	77 424	4,7	TSONGA	159 052	4,3
8	ENGLISH	38 692	2,7	SISWATI	30 322	1,8	TSWANA	100 465	2,7

TABLE 10 A

ASPECT	EASTERN TRANSVAAL	PRETORIA SUBREGION (Without Bop districts)	GREATER E. TRANSVAAL
ECONOMY			
GGP 1990 R/m % NAT FIGURE	R11 290,165 9,4	R10 388,389 8,6	R21 678,554 18,0
NGP 1990 R/m % NAT FIGURE	R4 628,967 3,9	R8 580,169 7,2	R13 209,136 11,0
GGP PER CAPITA	R5 197	R5 446	R5 314
GGP INCOME %	41,0	77,3	60,9
NGP/CAPITA	R2 131	R4 498	R3 238
RSA FIGURE 1990	R3 043	R3 043	R3 043
TAX REVENUE IN REGION 1991	R1 316,158 mil	R6 239,165 mil	R7 555,323 mil
% NAT FIGURE	2,5	11,9	14,4
REGIONAL GOVT: ESTIMATED COST 1991	R1 674,751 mil	R1 468,609 mil	R2 855,625 mil
AFFORDABILITY	DEFICIT: R358,593 mil	SURPLUS: R4 770,556 mil	SURPLUS: R4 699,698 mil
% COST SAVING			9,2%
NATIONAL STATE IN REGION	KANGWANE	KWANDEBELE	KANGWANE AND KWANDEBELE 2 AREAS
BUDGET OF NAT STATE 91/92	R529 688 mil	R408,887 mil	TOTAL: R938,575 mil
BUDGET AS % OF REGIONAL INCOME	40,2	6,6	12,4
DISTANCE REG. ROADS COST/ROADS	14 943 km R168 mil	4 260 km R48 mil	19 203 km R216 mil
ROAD COSTS AS % OF REGION'S INCOME	12,7	0,8	2,9

TABLE 10 B

SERVICES	EASTERN TRANSVAAL	PRETORIA SUBREGION	GREATER E.TRANSVAALL
NUMBER RSC's	3	1	4
TOTAL REVENUE RSC's 1992/93	R86 mil	R160 mil	R246 mil
FUNDS AVAILABLE PER CAPITA	R39,59	R83,88	R60,30
OWN UNIVERSITIES OWN TECHNICONS SUPREME COURT*	- - -	3 2 1	3 2 1
DOCTORS NURSES HOSPITALS CLINICS ACAD. HOSPITALS DOCTORS/1000 NURSES/1000 BEDS/1000	616 2434 57 40 - 0,28 1,12 2,11	2804 6275 54 34 2 1,47 3,29 3,80	3420 8709 111 74 2 0,83 2,13 3,09

* Facilities also exist in Kwamhlangu (Kwandebele) and Lovieville (Kangwane)

TABLE 11 GREATER NORTHERN TRANSVAAL (N.TVL, E.TVL AND GREATER PRETORIA)

ASPECT	NORTHERN TRANSVAAL		EASTERN TRANSVAAL		GREATER PRETORIA		NEW REGION	
DEMOGRAPHY								
POPULATION 1991	4 759 412		2 172 181		1 907 283		8 838 876	
COMPOSITION	53,8%		24,6%		21,6%		100,0%	
URBANISATION	8,7%		35,9%		68,8%		30,1%	
NAT. RATE	49,8%		49,8%		49,8%		49,8%	
GROWTH '85 - '91	3,1%		2,6%		3,6%		3,1%	
ILLETERACY	35,1%		31,5%		12,5%		29,3%	
PEOPLE UNDER 15	51,0%		41,0%		34,0%		44,8%	
COMPOSITION								
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
WHITES	137 720	3,3	280 545	13,5	583 696	35,0	1 001 961	12,7
COLOUREDS	6 310	0,2	15 091	0,7	28 903	1,7	50 304	0,6
ASIANS	4 149	0,1	10 584	0,5	21 902	1,3	36 635	0,5
BLACKS	3 993 837	94,4	1 772 758	85,3	1 032 591	61,9	6 799 186	86,2
LANGUAGE COMPOSITION								
POSITION		%		%		%		%
1	N. SOTHO	56,1	SISWATI	37,2	AFRIKAANS	29,7	N. SOTHO	34,6
2	TSONGA	19,0	ZULU	27,4	N. SOTHO	18,2	TSONGA	12,0
3	VENDA	14,0	AFRIKAANS	12,0	NDEBELE	16,0	AFRIKAANS	11,1
4	NDEBELE	3,4	N. SOTHO	4,8	ZULU	8,7	ZULU	10,1
5	AFRIKAANS	2,9	TSONGA	3,8	ENGLISH	7,3	VENDA	7,4
6	TSWANA	2,2	NDEBELE	3,5	TSWANA	6,0	NDEBELE	6,1
7	ZULU	1,4	S. SOTHO	3,0	TSONGA	4,7	TSWANA	2,5
8	ENGLISH	0,5	ENGLISH	2,7	SISWATI	1,8	ENGLISH	2,3

TABLE II A

ASPECT	NORTHERN TRANSVAAL	EASTERN TRANSVAAL	GREATER PRETORIA	NEW REGION
		ECONOMY		
GGP 1990 R/mil	R4 335,711 (16,7%)	R11 290,165 (43,4%)	R10 388,389 (39,9%)	R26 014,265
% NAT. FIGURE	3,6	9,4	8,6	21,6
NGP 1990 R/mil	R3 798,142 (22,3%)	R4 628,967 (27,2%)	R8 580,169 (50,5%)	R17 007,278
% NAT. FIGURE	3,2	3,9	7,2	14,1
GGP/CAPITA	R911	R5 197	R5 446	R2 943
GGP/INCOME %	87,6	41,0	77,3	65,4
NGP/CAPITA	R798	R2 131	R4 498	R1 924
RSA FIGURE	R3 043	R3 043	R3 043	R3 043
TAX / REGION	R627,660 m 7,7%	R1 316,158 m 16,1%	R6 239,165 m 76,2%	R8 182,983 mil
% NAT. FIGURE	1,2	2,5	11,9	15,6
REGIONAL GOVT.				
EST. COST	R3 260,197 mil	R1 674 751 mil	R1 468,609 mil	R5 842,497 mil
AFFORDABILITY	DEFICIT: R2 632,537 mil	DEFICIT: R358,593 mil	SURPLUS: R4 770,556 mil	SURPLUS: R2 340,486 mil
% COST SAVING				5,7%
NATIONAL STATES	LEBOWA VENDA GAZANKULU	KANGWANE	KWANDEBELE	5 AREAS
BUDGETS:				
NAT. STATES	R3 782,354 mil	R529,688 mil	R408,887 mil	R4 720,929 mil
BUDGETS AS % OF REG. REVENUE	613,4	40,2	6,6	57,7

TABLE 12

FISCAL VIABILITY OF SPR's PROPOSED BY THE CDDR : PRELIMINARY INVESTIGATION

BACKGROUND

1. Tax revenue collected in each SPR as reflected by Receiver's Offices in such areas in terms of taxes collected from (a) individuals; (b) GST, and (c) non-mining companies in the 1991 year of assessment.

2. Estimates of regional government costs are based on a model prepared by Prof J.A. du Pisanie (Unisa) according to population size per region in terms of per capita costs at 1991 prices.

COST/CAPITA	TAX OFFICE	INDIVID. R/m	GST R/m	COMP. R/m	TOTAL R/m
WESTERN CAPE Population: 3 392 700; cost of govt. R2 415,602 million Revenue - costs: Surplus R6 668,641 million					
R712 5 distr. in N. Cape	Belville	1 056,853	1 150,376	444,0983	2 651,312
	Cape Town	2 445,617	1 982,719	1 449,229	5 877,565
	Paarl	95,780	96,086	7,202	199,068
	Worcester	93,910	89,560	10,800	194,270
	George	76,571	78,042	7,415	162,028
	TOTAL				9 084,243
NORTHERN CAPE Population: 726 600; Cost of govt. R768,016 million Revenue - costs: Deficit R324,583 million					
R1 057 4 distr. in S. Cape	Kimberley	25,371	154,029	14,873	194,273
	Beaufort West	233,169	15,170	0,821	294,160
	TOTAL				443,433
EASTERN CAPE Population: 6 137 000; Cost of govt. R4 142,475 million Revenue - costs : Deficit R2 254,444 million					
R675 2 distr. in N. Cape	East London	255,187	201,387	40,805	497,436
	Port Elizabeth	605,486	454,830	315,120	1 375,436
	Uitenhage	88,589	42,014	4,613	135,216
	TOTAL				1 888,031

TABLE 12 A

ORANGE FREE STATE
Population: 2 723 300; Cost of govt. R1 996,179 million
Revenue - costs : Deficit R482,769 million

R733 all distr. included	Bloemfontein	468,771	302,932	34,411	806,114
	Kroonstad	133,896	63,210	32,294	229,400
	Welkom	346,338	116,727	14,831	477,896
	TOTAL				1 513,410

NATAL
Population: 7 590 200; Cost of govt. R5 055,073 million
Revenue - costs : Surplus R258,781 million

R666 all distr. included	Durban	2 031,920	1 453,965	858,083	4 340,968
	Pietermaritzburg	559,091	338,863	74,932	972,886
	TOTAL				5 313,854

NORTH WEST
Population: 2 396 600; Cost of govt. R1 814,226 million
Revenue - costs : Deficit R1 020,358 million

R757 4 distr. N. Cape	Klerksdorp	336,593	198,116	44,558	579,267
	Rustenburg	142,253	66,611	6,334	215,198
	TOTAL				793,868

NORTHERN TRANSVAAL
Population: 4 525 300; Cost of govt. R3 131,508 million
Revenue - costs : Deficit R2 567,177 million

R692 6 distr. out.	Pietersburg	226,601	299,143	38,586	564,331
	TOTAL				564,331

EASTERN TRANSVAAL
Population:2 129 500; Cost of govt. R1 639,715 million
Revenue - costs : Deficit R323,557 million

R770 3 distr. in N. Tvl	Witbank	294,468	159,648	12,039	466,155
	Standerton	331,641	145,936	21,444	499,021
	Nelspruit	150,394	137,462	63,126	350,982
	TOTAL				1 316,158

TABLE 12 B

PWV Population: 9 267 200; Cost of govt. R6 116,352 million Revenue - costs : Surplus R25 266,519 million					
R660 1 distr. in NW 1 distr in E.Tvl	Krugersdorp	157,802	181,966	53,773	393,541
	Roodepoort	226,654	189,612	54,364	480,630
	Randfontein	296,898	88,536	4,492	389,926
	Johannesburg	6 766,754	6 482,386	5 604,968	18 854,108
	Benoni	202,920	167,384	69,217	439,521
	Boksburg	218,535	226,315	91,194	536,044
	Brakpan	60,089	39,551	17,353	116,993
	Germiston	1 092,454	1 324,792	426,244	2 843,490
	Nigel	64,035	35,537	24,629	124,201
	Springs	166,748	119,930	50,760	337,438
	Pretoria	4 567,584	1 291,292	380,289	6 239,165
	Vereeniging	351,785	208,852	77,177	637,814
	TOTAL				31 382,871

CONCLUSION

This preliminary analysis reveals that only 3 SPR's will be viable in so far as they are able to pay for their own administrations by means of revenue collected internally. Since the new SPR boundaries cut across existing tax collection boundaries in a number of cases some districts will have to be allocated to other receiver of revenue offices within their own SPRs. Following this a new investigation should reveal a more accurate picture.